

Illinois Energy Efficiency Stakeholder Advisory Group: 2021 SAG Plan Final Draft – updated Feb. 26, 2021

I. Background

The Illinois Energy Efficiency Stakeholder Advisory Group (SAG) is an advisory body established by the Illinois Commerce Commission (ICC or Commission) that is open to all interested participants. SAG is a forum that allows parties to provide early and ongoing input on energy efficiency programs, express different opinions, better understand the opinions of others, and foster collaboration and consensus, where possible and appropriate. This 2021 SAG Plan includes an overview of SAG activities from January 1 through December 31, 2021. The SAG is independently facilitated by Celia Johnson, Celia Johnson Consulting LLC, with facilitation meeting support provided by the Midwest Energy Efficiency Alliance (MEEA).¹

II. SAG Plan Flexibility

At the time of 2021 SAG Plan development in December 2020 and January 2021, final negotiations between utilities and non-financially interested stakeholders were ongoing as a final step to the SAG Portfolio Planning Process, with the goal of reaching agreement on the 2022-2025 Energy Efficiency Plans (EE Plans) before utilities file 2022-2025 EE Plans with the Commission on or before March 1, 2021. Due to ongoing negotiations that may impact topics addressed by SAG in 2021, this SAG Plan will be considered “final draft” when completed at the end of February 2021, and may need to be updated following Commission approval of 2022-2025 EE Plans. Any updates to this SAG Plan will be discussed with utilities, interested stakeholders, and the SAG Steering Committee, and communicated to SAG.

Following past precedent, SAG will not hold regular meetings while EE Plan dockets for 2022-2025 are open at the Commission. The timing for this break is subject to change depending on when utility EE Plans are approved by the Commission. If there are EE items that require discussion during this timeframe, meetings will be scheduled on an as-needed basis with feedback from interested parties.

III. 2021 SAG Activities

Section III of this SAG Plan provides an overview of SAG activities in 2021, including:

- Categories of SAG Meetings;
- Recurring SAG Activities;
- SAG Participation;
- SAG Coordination with Other Processes;
- SAG Subcommittees;
- SAG Working Groups;
- SAG Workshops in Response to a Commission Directive; and

¹ Contact Celia Johnson (Celia@CeliaJohnsonConsulting.com) to join the SAG distribution list.

- Proposed Large Group SAG Topics for 2021.

A. Categories of SAG Meetings

Table 1 below describes various categories of SAG meetings, including the SAG Steering Committee, Large Group SAG, SAG Technical Advisory Committee, SAG Subcommittees, and SAG Working Groups.

Table 1: SAG Meetings	
Meeting Category	Description
SAG Steering Committee	Members of the SAG Steering Committee includes senior representative of utilities, community-based organizations, and non-financially interested stakeholder participants. The Steering Committee provides substantive feedback to the SAG Facilitator on: (1) annual SAG Plans; and (2) progress towards meeting annual SAG Plan goals to ensure that the time spent on SAG is as productive and valuable as possible. Meetings will be held on a bi-annual basis.
Large Group SAG	<p>Large Group SAG meetings will be held in-person on a quarterly basis, at a minimum. The SAG Facilitator will prioritize topics and issues that are required by the Illinois Energy Efficiency Policy Manual Version 1.1, or as it may be updated from time to time; directives to SAG from the Illinois Commerce Commission (ICC); and ICC-approved stipulated agreements between utilities and non-financially interested parties.</p> <p>Other topics related to EE portfolio planning, design, implementation, and evaluation will be scheduled for Large Group SAG discussion as time and resources permit.</p>
SAG Technical Advisory Committee (TAC)	Technical Advisory Committee (TAC) meetings address updates to the IL-TRM, EM&V issues, and other issues of a technical nature. TAC meetings are facilitated by the independent Illinois TRM Administrator, VEIC. SAG participants will be briefed on topics covered in the TAC, as needed. The SAG Facilitator coordinates with the IL-TRM Administrator and participates in TAC meetings, as needed.
SAG Subcommittees	SAG Subcommittees will be established for necessary issue-specific topics based on ICC directives, Policy Manual requirements, and stipulated agreements. Participation in SAG Subcommittees will be open to all SAG participants, unless there may be a financial conflict of interest.
SAG Working Groups	SAG Working Group meetings will be held to discuss short-term issues that need resolution. Meetings will be held by teleconference and scheduled as needed, with participation by interested SAG participants. SAG Working Groups may recommend next steps to the Policy Manual Subcommittee or IL-TRM TAC.

Table 1: SAG Meetings	
Meeting Category	Description
	<p>In 2021, there are four Working Groups that are anticipated to be convened by the SAG Facilitator:</p> <ol style="list-style-type: none"> 1. Evaluation Working Group 2. Fuel Conversion Working Group 3. Market Transformation Savings Working Group 4. Non-Energy Impacts Working Group

B. Recurring SAG Activities

There are a number of topics that require recurring discussion in the SAG, as referenced in the Illinois Energy Efficiency Policy Manual Version 2.0.² The SAG Facilitator will organize the following SAG activities related to recurring topics in 2021:

1. Quarterly Reports: Schedule quarterly utility-report-outs to SAG twice per year. Quarterly reports will be posted to the SAG website. For quarters where utilities are not presenting to SAG, utility reports will be circulated to SAG participants by email.
2. Annual Reports: Schedule annual utility report-outs following the end of each program year (combined with a quarterly report-out). Annual reports will be posted to the SAG website.
3. IL-TRM Update Process: Send notice of IL-TRM meetings to the appropriate SAG participants; circulate IL-TRM materials, as requested by the IL-TRM Administrator; update the SAG website with IL-TRM materials; and participate in a discussion of IL-TRM priorities prior to the launch of the annual IL-TRM process, organized by the IL-TRM Administrator.
4. Evaluation Work Plans: Schedule SAG meeting(s) in early December for evaluators to present an overview of draft EM&V work plans for the upcoming year. Draft EM&V work plans will be posted to the SAG website for review and comment. Notice will be circulated to SAG directing that comments on draft EM&V work plans shall be submitted to utilities, ICC Staff, and evaluators within fifteen (15) business days, or such other timeline mutually agreed to by the Parties. Final EM&V work plans will be posted on the SAG website.
5. Evaluation Reports: Draft and final evaluation reports will be posted on the SAG website, as they are made available by independent evaluators.
6. Net-to-Gross Updates: Organize and facilitate meeting(s) to discuss annual updates to Net-to-Gross (NTG) values in September 2021. Independent evaluators share initial NTG recommendations by September 1, 2021 with final values determined by October 1,

² See IL EE Policy Manual Subcommittee: <http://www.ilsag.info/illinois-ee-policy-manual.html>

2021. Draft and final NTG documents and other NTG meeting communications will be posted to the SAG website and circulated to SAG.

7. Adjustable Savings Goals: Organize and facilitate discussions regarding gas utility Adjustable Savings Goals for the 2021 program year. The 2021 update to gas utility Adjustable Savings Goal Templates will be posted on the SAG website.³
8. Updates to the Policy Manual: Organize and facilitate Policy Manual Subcommittee meetings on an as-needed basis.

C. SAG Participation

Participation in large group SAG meetings, SAG Subcommittee, and SAG Working Group meetings is open to all interested parties, unless a topic may present a financial conflict of interest or when an issue requires consensus resolution. Topics that present a conflict will be identified in advance by the SAG Facilitator.

SAG participants include Illinois utilities administering energy efficiency programs (Ameren Illinois, ComEd, Nicor Gas, and Peoples Gas – North Shore Gas); stakeholders representing environmental advocacy, consumer advocacy, and ratepayer advocacy; Illinois Commerce Commission Staff; program implementation contractors; independent evaluators; the Illinois TRM Administrator; community based organizations and other interested companies and organizations.

Financial Conflict of Interest Policy

Excerpted from SAG Process Guidance

A financial conflict of interest may be present when a SAG participant, in the judgment of the SAG Facilitator, may have a financial stake in a SAG discussion topic and participation by the financially interested party could have adverse consequences, such as hindering complete and frank discussions, or the participant may gain undue advantage or benefit by participating. SAG participants that may have a financial conflict of interest in specific meetings topics must recuse themselves from participating in those meetings or portions of those meetings for relevant topics. Notwithstanding this restriction, the designated agent(s) of a participating utility shall not be considered to have a financial conflict of interest for purposes of participating in SAG discussions. Conflicts may change from time to time.

1. Topics that may present a financial conflict of interest include, but are not limited to, the following: Discussion of proprietary and/or confidential information (e.g., current and prospective program implementers, contractors, and product representatives);
2. Current and past program performance (e.g., current program implementers and contractors);
3. Future bids (e.g., current and prospective program implementers, potential bidders, and contractors);

³ See Adjustable Savings Goals policy for gas utilities: http://www.ilsag.info/adjustable_savings_goals.html

4. Evaluation performance and proposed changes (e.g., current and prospective independent evaluation contractors); and/or
5. Final negotiations on portfolio planning for utility Energy Efficiency Plans. Prior to the discussion of confidential topic(s), SAG participants may be asked by a utility or utilities to sign a non-disclosure, or confidentiality agreement.

D. SAG Coordination with Other Processes

As described in the SAG Process Guidance document, *Section VI, Coordination with Other Processes*, the SAG Facilitator will coordinate with three other Illinois energy efficiency advisory processes, including 1) Annual update process for the IL-TRM through the SAG TAC, facilitated by Vermont Energy Investment Corp. (VEIC), the IL-TRM Administrator⁴; 2) Income Qualified North EE Advisory Committee (IQ North Committee); and 3) Income Qualified South EE Advisory Committee (IQ South Committee).

E. SAG Subcommittees

As described in Table 1 above, SAG Subcommittees are established for necessary issue-specific topics based on ICC directives, Policy Manual requirements, and stipulated agreements. Participation in SAG Subcommittees will be open to all SAG participants, except for topics that may involve a financial conflict of interest. For any new or recurring Subcommittees, a Subcommittee Plan and schedule will be prepared annually by the SAG Facilitator and reviewed by interested participants with a request for feedback.

There are no SAG Subcommittees expected to be active in 2021, however this may change following Commission approval of 2022-2025 EE Plans, anticipated in mid-2021.

F. SAG Working Groups

SAG Working Groups are small groups of interested SAG participants that are convened to discuss short-term issues that need resolution. SAG Working Groups will report-back to the large group SAG following discussions, as needed. Working Groups are open to all interested SAG participants, unless a topic may present a financial conflict of interest. SAG Working Groups are established as time and resources permit, with meetings scheduled on an as-needed basis.

The SAG Facilitator anticipates convening four (4) SAG Working Groups in 2021. Each Working Group is described below, including the goal in 2021, timing, participation, and topics to address. A more detailed Working Group Plan and schedule will be developed by the SAG Facilitator and reviewed by Working Group participants.

⁴ See IL-TRM page of the SAG website for additional information: <https://www.ilsag.info/technical-reference-manual/>

Evaluation Working Group

Website: <https://www.ilsag.info/evaluation-working-group/>

Purpose: To discuss evaluation questions that are more technical in nature and may not be of interest to all large group SAG participants.

Background: A number of specific evaluation questions were raised in 2020 that required discussion by a small group of interested SAG participants. For transparency and ease of participation, a new Working Group focused on evaluation topics that are more technical in nature and may not be of interest to all large group SAG participants will be established in 2021. Meetings will be planned on an as-needed basis. There are several evaluation topics that may require discussion in 2021, listed below.

Goal in 2021: Discuss evaluation questions with interested parties, as needed.

Timing: Meetings will be scheduled on an as-needed basis.

Participation: Evaluation Working Group participation is open to all interested SAG participants, unless a topic may present a financial conflict of interest. SAG participants are invited to self-select into the Working Group.

Topics to Address:

1. Discuss whether any changes should be considered to evaluation for the 2022-2025 EE Plans (tentative);
2. Discuss historical budget / category spend for evaluators (tentative);
3. Savings that can be claimed based on net market effects (research report-out by Opinion Dynamics for Ameren Illinois);
and
4. Discuss open questions related to heating penalties and negative savings, raised by Guidehouse in 2020:
 - a. How should evaluation treat measure installations that result in negative savings?
 - b. How should evaluation treat projects that result in negative savings due to unexpected customer or trade ally action?

Fuel Conversion Working Group

Website: <https://www.ilsag.info/fuel-conversion-working-group/>

Purpose: The purpose of the Fuel Conversion Working Group is:

1. To provide a forum to discuss fuel conversion policy questions that were raised during the 2020 Illinois Technical Reference Manual (IL-TRM) update process, for IL-TRM Version 9.0; and
2. If possible, to reach consensus on fuel conversion policy questions.

The Fuel Conversion Working Group will coordinate with the IL-TRM Administrator and IL-TRM Technical Advisory Committee, and will report back to the large group SAG, as needed.

Background: Fuel conversion policy questions were raised during the 2020 IL-TRM update process (IL-TRM Version 9.0), related to Heat Pump Measures, Combined Heat and Power Measure, and the proposed Electric Vehicle Measure, including 1) site vs. source savings and 2) whether the Future Energy Jobs Act requires the current IL-TRM methodology to be changed. The IL-TRM methodology was developed and approved during the IL-TRM Version 4.0 update. The IL-TRM Administrator requested SAG address open fuel conversion policy questions.

The 2021 IL-TRM update process (IL-TRM Version 10.0) may also address proposed changes to fuel switching measure(s), pending the outcome of SAG policy discussions.

Goal in 2021: Discuss and resolve open fuel conversion policy questions.

Timing: A Working Group Plan will be developed in Q1 2021. A kick-off discussion will be held in March with the goal of resolving policy issues in June or July, in coordination with the IL-TRM Version 10.0 update process.

Participation: Fuel Conversion Working Group participation is open to all interested SAG participants, unless a topic may present a financial conflict of interest. SAG participants are invited to self-select into the Working Group.

Topics to Address:

- *Meeting 1 (March):*
 - Overview of Fuel Conversion Working Group Plan; request for final feedback
 - Introduce and discuss open policy questions; overview of current IL-TRM methodology (presentation by Sam Dent, VEIC, IL-TRM Administrator)
 - Determine if there are additional fuel conversion questions that need to be addressed
- *Meeting 2 (April):*
 - Follow-up discussion on open policy questions
 - Interested parties to share response(s) to open policy questions
 - Utilities present overview of total “gas to electric” or “electric to gas” measures incentivized in 2020, and such measures offered in 2021
- *Meeting 3 (May)*
 - Follow-up discussion on open policy questions, if needed
 - Discuss draft policy resolution
- *Meeting 4 (June):*
 - Discuss comments on draft policy resolution; determine next steps – goal is to finalize policy resolution

Non-Energy Impacts Working Group

Website: [Non-Energy Impacts Working Group](#)

Purpose: To discuss research plans and results from Illinois non-energy impact (NEI) studies as well as defensible methodologies to use across the state related to calculating non-energy impacts.

Background: The Non-Energy Impacts Working Group (“NEI Working Group”) was established in 2018 to discuss NEI research plans and draft research results from Illinois NEI studies, as well as defensible methodologies to use across the state related to calculating non-energy impacts. Guidehouse, ComEd’s evaluator, and Opinion Dynamics, Ameren Illinois’ evaluator, developed detailed research plans in 2018 to address NEIs as well as economic impacts of EE programs. Draft research results and methodologies were reviewed by the Working Group throughout 2019 and 2020. NEI research results for the gas utilities Nicor Gas, Peoples Gas and North Shore Gas were also reviewed in 2020.

Goal in 2021: Provide a forum to discuss draft NEI research results and methodologies.

Timing: Two meetings are anticipated in 2021 – Q3 and Q4.

Participation: NEI Working Group participation is open to all interested SAG participants, unless a topic may present a financial conflict of interest. SAG participants are invited to self-select into the Working Group.

Topics to Address:

1. *Q3 Meeting (August):*
 - a. Participant NEI research/results update for ComEd – reduced O&M; health, safety and comfort
 - b. Participant NEI research/results update for Ameren Illinois
 - c. Ameren Illinois C&I/business screening NEI update
2. *Q4 Meeting (December):*
 - a. C&I/business NEI research results for Ameren Illinois and ComEd

Market Transformation Savings Working Group

Website: [Market Transformation Savings Working Group](#)

Purpose: The purpose of the Market Transformation Savings Working Group (MT Savings Working Group) is:

1. To provide a forum to discuss policy issues related to MT savings evaluation and estimation.
2. To provide an opportunity to review specific MT initiatives and the data/approach proposed to be used to develop savings, including but not limited to:
 - a. Logic Models
 - b. Savings/unit
 - c. Total market unit data collection
 - d. Natural market baseline data and projections
 - e. Service territory accounting
 - f. Market progress indicators
 - g. The duration of any MT savings credit.
3. To discuss evaluation questions related to MT initiatives; and
4. To reach consensus on savings protocols for MT initiatives that may be included in the IL-TRM.

The Working Group will report-back to the large group SAG following discussions, as needed.

Background: The MT Savings Working Group began in March 2019. The goal of the Working Group in 2019 was to reach agreement on a framework for market transformation savings, to be included in IL-TRM Version 8.0. The *Attachment C, Framework for Market Transformation Savings in Illinois*, was finalized in August 2019. Quarterly Working Group meetings were held in 2020, to discuss open market transformation policy issues and review progress updates on market transformation initiatives.

Goals in 2021:

1. Provide a forum for utilities to update interested stakeholders on the progress of market transformation initiatives;
2. Provide a forum for stakeholders to raise market transformation ideas for consideration by Illinois utilities;
3. Finalize open market transformation policy questions; and
4. Discuss and if possible, reach agreement on how utilities may claim savings from market transformation initiatives.

Timing: The Working Group will coordinate on meeting timing with the Midwest Market Transformation Collaborative and Illinois utilities, based on when various market transformation initiatives will be ready for discussion by the Working Group. Quarterly meetings are planned in 2021, with a kick-off meeting in March.

Participation: MT Savings Working Group participation is open to all interested SAG participants, unless a topic may present a financial conflict of interest or when consensus resolution is needed, such as finalizing savings protocols for specific market transformation initiatives. SAG participants are invited to self-select into the Working Group.

Topics to Address:

1. Finalize open policy questions. Policy discussion background:
 - a. During the process of finalizing the *Attachment C Framework* in 2019, several policy questions were raised by participants.
 - b. During the November 2019 Working Group meeting, MEEA and Resource Innovations presented an overview of policy issues in order to prepare a more detailed policy proposal at the February 2020 meeting.
 - c. Follow-up discussions on proposed policy resolution were held by the Working Group in February and May 2020.
 - d. Updated policy resolution was circulated following the May 2020 meeting, incorporating feedback.
 - e. Stakeholder raised several additional process-related policy questions at the May meeting.
 - f. Proposed resolution of process/outreach questions was presented at the July 2020 meeting by MEEA and Resource Innovations.
 - g. At the end of 2020, resolution of open process/outreach questions is pending feedback from the Midwest Market Transformation Collaborative. Further discussion is needed on IL stakeholder feedback.

2. Market transformation progress updates may include:
 - a. Retail Products Platform
 - b. Code Advancement (Stretch Codes and Building Performance Standards)
 - c. Gas Heat Pump Water Heaters
 - d. Thin Triple Pane Windows

G. SAG Workshops in Response to a Commission Directive

In December 2020, the Commission directed SAG to discuss plan budget flexibility for electric utility energy efficiency spending in the final order responding to Ameren Illinois' petition for approval of an annual update to cost inputs for Rider EE (Energy Efficiency and Demand Response Investment) pursuant to 220 ILCS 5/8-103B(d).

The timing and process for SAG workshops will be discussed with interested parties during Q1 2021. See Attachment A of this SAG Plan for specific language excerpted from Commission Analysis and Conclusions in the Commission Final Order, ICC Docket No. 20-0477.

IV. Large Group SAG Topics for 2021

There are a number of topics that SAG participants are interested in discussing at Large Group SAG meetings in 2021. This section of the SAG Plan includes topics related to: 1) Utilities; 2) Evaluation; and 3) Other. Meeting agendas will be finalized with presenters in advance of each Large Group SAG meeting. Topics are scheduled at SAG meetings based on priority, and as time and resources permit. Section IV is not intended to be an exhaustive list; there may be additional topics that require discussion in 2021.

A. Utility Topics

1. Utility report-out presentations/progress updates twice per year on 2020 EE portfolio results and 2021 mid-year progress (the 2021 SAG schedule includes utility report-out presentations in July and November)
2. Discuss Research & Development (R&D) investments in next EE Plans
3. ComEd presents early findings from their newly launched ComEd Efficient Choice website
4. Equity in Energy Efficiency:
 - a. *Workforce Development and Diversity*: SAG held a joint meeting with the IQ North and IQ South EE Advisory Committees in October 2020, to address equity hiring and workforce development proposals submitted during the 2020 SAG Portfolio Planning Process.⁵ Following this meeting, interest was expressed in continuing the conversation at SAG about equity and workforce development. Potential topics include:
 - i. Walker-Miller Energy Services and Energy Justices Labs presentation on results from Income Qualified Focus Groups and Diverse Vendor Survey,

⁵ See October 1, 2020 Meeting page: [Thursday, October 1 SAG Meeting](#)

completed for Ameren Illinois (coordinated meeting with IQ South Committee)

- b. *ICC Affordability Notice of Inquiry*⁶: EE topics related to affordability may need to be addressed by SAG. A final report from the ICC is anticipated in 2021.

B. Evaluation Topics

1. Report-out on economic and employment impacts of 2020 EE portfolios, with presentations by Guidehouse and Opinion Dynamics;
2. Annual process to reach agreement on Net-to-Gross (NTG) values for the 2022 program year, with initial NTG value recommendations provided by independent evaluators; and
3. Annual meeting for evaluators present draft evaluation plans for 2022 utility EE programs.

C. Other Topics

1. Leveraging other initiatives (federal stimulus or other funding sources, tentative topic if needed)
2. Updates that relate to 2022-2025 Energy Efficiency Plans (if needed)

V. Schedule

Table 3 below includes the illustrative 2021 SAG schedule for Large Group SAG meetings. Meetings of the SAG Steering Committee, SAG Subcommittees, and SAG Working Groups are not listed in the table below. Instead, meetings will be scheduled by the SAG Facilitator with participants of each group.

Final Large Group SAG meeting agendas will be circulated to participants approximately five (5) Business Days before each meeting. Meeting dates and the agenda topics listed in Table 3 are subject to change.

Table 3: Large Group SAG 2021 Schedule (Illustrative)		
<i>* indicates Policy Manual requirement</i>		
Date / Time	Agenda	Next Steps
Tues. Feb. 16 Large Group SAG Meeting 9:00 – 10:00 am	SAG Planning: SAG Facilitator presents final draft 2021 SAG Plan and schedule; request for comments. <i>Note: The 2021 SAG Plan will be considered ‘final draft’ and is subject to change following Commission approval of 2022-2025 EE Plans (anticipated in summer 2021).</i>	Comments on the 2021 SAG Plan due by Wed., Feb. 24 SAG Facilitator to finalize the 2021 SAG Plan and post on the website by Feb. 26.

⁶ See ICC Website, 20-NOI-01: <https://www.icc.illinois.gov/notice-of-inquiry/20-NOI-01>

Table 3: Large Group SAG 2021 Schedule (Illustrative)		
<i>* indicates Policy Manual requirement</i>		
Date / Time	Agenda	Next Steps
Mon., Feb. 22 Small Group SAG Evaluation Meeting 10:30 am – 12:00 pm	Purpose of meeting: <ul style="list-style-type: none"> To discuss evaluation questions regarding how ongoing engagement should affect persistence in business programs. To introduce savings normalization options for the 2021 program year. 	Follow-up items will be circulated following the meeting.
	SAG Break: March to August 2021 Following past precedent, SAG will not hold regular meetings while EE Plan dockets for 2022-2025 are open at the Commission. The timing for this break is subject to change depending on when utility Plans are approved by the Commission. If there are EE items that require discussion during this timeframe, meetings will be scheduled on an as-needed basis with feedback from interested parties.	
August – Date TBD (Day 1) Large Group SAG Meeting 9:30 am – 12:30 pm August – Date TBD (Day 2) Large Group SAG Meeting 9:30 am – 12:30 pm	Quarterly SAG Meeting #1 (Q3) Day 1: <ul style="list-style-type: none"> SAG Facilitator Presentation: Updated 2021 SAG Plan following Commission approval of EE Plans SAG Facilitator Presentation: Report-out on 2020 SAG Portfolio Planning Process (summary of feedback received) Electric and Gas Utility 2020 Report-Out: Utilities present Calendar Year 2020 results + 2021 results to date Day 2: <ul style="list-style-type: none"> ComEd Presentation: Efficient Choice website early findings *Income Qualified Discussion* <ul style="list-style-type: none"> Walker-Miller Energy Services and Energy Justice Labs presentation on results from Income Qualified Focus Groups and Diverse Vendor Survey, completed for Ameren Illinois (joint with IQ South Committee) ICC Affordability Notice of Inquiry: Introduce EE topics for discussion; discuss next steps (tentative, pending review of the forthcoming ICC report) 	Follow-up items will be circulated following the meeting.

Table 3: Large Group SAG 2021 Schedule (Illustrative)		
<i>* indicates Policy Manual requirement</i>		
Date / Time	Agenda	Next Steps
September 2021 Large Group SAG Meetings	<p>NTG Recommendations*: Four Large Group SAG teleconference meetings will be held to discuss evaluator Net-to-Gross (NTG) recommendations for programs beginning January 1, 2022.</p> <ul style="list-style-type: none"> • Meeting 1 – Thursday, Sept. 2: Evaluators present initial recommended NTG values for Illinois utilities. Discuss questions and follow-up. • Meeting 2 – Friday, Sept. 10: Follow-up discussion on recommended NTG values. Discuss consensus on recommended values. • Meeting 3 – Friday, Sept. 17: Follow-up discussion on recommended NTG values. Discuss consensus on recommended values. • Meeting 4 – Monday, Sept. 27: Final meeting to discuss follow-up and consensus on recommend values. 	NTG values must be finalized by independent evaluators by Oct. 1, 2021.
<p>Tues., Nov. 16, 2021 (Day 1) 9:30 am – 12:30 pm</p> <p>Wed., Nov. 17, 2021 (Day 2) 9:30 am – 12:30 pm</p>	<p><u>Quarterly SAG Meeting #2 (Q4)</u></p> <p>Day 1:</p> <ul style="list-style-type: none"> • 2020 report-out on economic and employment impacts of Illinois EE programs (Guidehouse and Opinion Dynamics) • R&D Investment in 2022/2023: Roundtable discussion on R&D investments <p>Day 2:</p> <ul style="list-style-type: none"> • Electric and Gas Utility Quarterly Report-Outs: Utilities present Calendar Year 2021 Q2/Q3 results 	Follow-up items will be circulated following the meeting.
<p>Tues., Dec. 7, 2021 (Day 1) 10:00 am – 12:00 pm</p> <p>Wed., Dec. 8, 2021 (Day 2) 10:00 am – 12:00 pm</p>	<p>Draft EM&V Work Plans*: The purpose of Dec. 7-8 meetings is to discuss draft evaluation plans for 2022, with additional information provided on multi-year evaluation activities.</p> <p>Day 1:</p> <ul style="list-style-type: none"> • Evaluators present an overview of high-level draft multi-year evaluation plans for Ameren Illinois and ComEd EE programs <p>Day 2:</p> <ul style="list-style-type: none"> • Evaluators present an overview of high-level draft multi-year evaluation plans for Nicor Gas and Peoples Gas & North Shore Gas programs 	<p>Draft evaluation plans / EM&V work plans will be available for review and comment on or before December 15.</p> <p>SAG Facilitator to post on the SAG website and circulate notice to SAG.</p>

Attachment A: ICC Directives to SAG

This Attachment A includes excerpts from Final Orders from the ICC directing action by SAG.

ICC Docket No. 20-0477: Ameren Illinois Petition for Approval of Annual Update to Cost Inputs for Rider EE – Energy Efficiency and Demand Response Investment pursuant to 220 ILCS 5/8-103B(d)

Commission Analysis and Conclusion

After careful consideration, the Commission agrees with ComEd and finds that the Joint Proposal should first be addressed in a collaborative manner by the SAG and considered in the context of the existing and related EE Policy Manual provisions governing budgeting, flexibility, and calculation of the planning budgets, which will ensure all impacted electric and gas utilities and interested stakeholders receive proper notice and an opportunity to comment. The Commission notes the caption in this matter only requests the approval of the annual update to cost inputs for Rider EE – Energy Efficiency and Demand Response Investment, pursuant to Section 8-103B(d). As stated in Section 8-103B(d), the purpose of this proceeding is limited to the review and approval of the prudence and reasonableness standard of a particular utility’s cost inputs, as well as addressing the annual evaluation reports prepared by the Independent Evaluator. The Commission has long held that a proceeding must be initiated with proper notice. It cannot lie buried within a matter with a caption that fails to reflect the nature of the controversy. See Docket No. 05-0106, Order at 16 (July 25, 2007). This docketed proceeding, as captioned, fails to reasonably inform the general public that the parties in this matter also request the Commission consider and determine whether spending beyond the budget amounts is permissible under the statute, and can be rolled over from one plan year to the next. The Joint Proposal itself infers on its face that other interested stakeholders and utilities are excluded and may have an interest in this issue, if reasonably notified. Although testimony was offered and the parties briefed the issue at hand, the Commission finds this matter falls outside the scope of this proceeding.

Moreover, the Commission finds it is premature to render a legal interpretation of Section 8-103B as it relates to the concept of plan budget flexibility. Throughout the course of the proceeding, various iterations of how plan budget flexibility could be administered were proposed and questioned at every turn. The Commission is currently unable to render a legal interpretation of Section 8-103B, as several unknowns remain unsupported by the record. Specifically, Ameren states the law affords a certain degree of flexibility to public utilities to reasonably and prudently spend above the plan budgets, but do not identify how much flexibility the Commission should consider. Ameren also states Section 8-103B(d)(3)(A) expressly prohibits the Commission from considering or ordering any changes to the structure or protocols of the EE formula rate approved under Section 8-103B(d)(2) ; however, it is unknown if and how rendering the requested legal

interpretation will affect the EE formula rate or compensation structure for the EE plan, as suggested by Staff, Ameren, NRDC, and CUB, along with Staff and ComEd, agree that further clarity is needed on what plan budget flexibility may look like from an administration and implementation perspective and how it may affect ratepayers, utilities, and the fundamental foundation of ratemaking. If the Commission were to rule on this matter in this Order, it would be doing so without the full understanding of the impacts of its decision, which the Commission is unwilling to do.

The Commission finds it is appropriate to first present the idea and concepts of plan budget flexibility to the SAG. The parties agree the SAG process has been successful in the past to develop policies around budgeting, flexibility, and planning budget calculations regarding EE portfolio administration policies. The SAG is well equipped and uniquely poised to properly shape, define, identify, and package a specific holistic proposal, or a number of specific proposals, that identify and document particular policy issues, questions of law, and areas of consensus and non-consensus that can in turn be presented in a docketed proceeding that is captioned properly and provides a means in which all impacted utilities and interested stakeholders can participate. The issues would at that time be better defined and the Commission would have a better understanding of the impacts its decision would have on ratepayers and utilities.

The Commission declines to rule that the SAG process and subsequent docket be concluded by April 2021, as suggested by Ameren in its Brief on Exceptions. The parties who elect to participate in the forthcoming SAG process and subsequent proceeding shall discuss and agree to a timeline that affords all parties the opportunity to reasonably and diligently identify and address the issues presented in a timely manner. Given the perceived complexities of the issue at hand, the policies and questions of law that may be presented to the Commission following the SAG process should be detailed and thorough, and not rushed.

Therefore, for the reasons aforementioned, the Commission directs the parties to present the concept of plan budget flexibility to the collaborative SAG process before further consideration by the Commission.

See: ICC Docket No. 20-0477 Final Order; pages 32-33